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ABSTRACT

For the benefit of Texas Association of Private Industry Council (TAPIC) volunteers who oversee dislocated worker projects, a report examined the initial efforts of putting together a cost-effective and responsive system that can reemploy people. In addition to a review of the state's role in the management and administration of the Economic Dislocation and Worker Adjustment Assistance Act (EDWAA), TAPIC selected three local substate areas for more detailed examination. These three areas provided the basis for most of the findings and recommendations. The project identified allowable program activities within cost categories as retraining, readjustment services, supportive services, and administration. A number of programmatic and policy issues appeared to lend themselves to corrective action for substate areas: (1) extraordinary circumstances demand an extraordinary response; (2) administrators must plan for flexible program response; (3) readjustment services should be supplementary to retraining opportunities; (4) orientation phase should keep expectations realistic; (5) program prerequisites cannot substitute for program services; (6) requirements for program certification must be simplified; (7) automated applicant tracking systems must be implemented; and (8) assessment process must be reformed. In addition, it was recommended that state areas do not supplant substate area responsibility; encourage use of local resources; and discourage local delivery of services by state. The state should focus on providing training and technical assistance, program design and development, monitoring and evaluation, innovation and development, long-term planning, and financial management services for EDWAA operations. (Three appendices are included--management review methodology, correspondence, and 23 references.) (NLA)

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The Texas Response to Plant Closings and Layoffs

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"I hope that this was a learning experience. I do not know that was the case, yet, for a fact."

Statement from a former EDWAA-eligible client and current state official.

TABLE OF CONTENTS

Acknowledgment ..... *iii*

Table of Contents ..... *vii*

Foreword ..... *ix*

The Economic Dislocation and Worker Adjustment Assistance Act: An Overview 1

- Funding Allocations to Texas
- Authorized Activities and Expenditures
- Allowable Program Activities Within Cost Categories
- Participant Eligibility

A Close Look at Texas: Program Observations and Findings 8

- Program Management Models
- Financial Perspectives
- Program Performance
- Program Expenditures and Constraints
- Management and Administration
- Ground Zero: The Local Experience
- Rapid Response Factor

Recommendations 37

- Substate Strategies
- State Recommendations

Conclusion 51

Appendix I: Methodology

Appendix II: Correspondence

Appendix III: Reference Materials

FOREWORD

An organization committed to achieving excellence among its membership, the Texas Association of Private Industry Councils (TAPIC) has undertaken this study to inform and educate the volunteers who serve on the PIC Councils and oversee the EDWAA programs. Because of the high profile nature of a program serving workers who have been laid off, we felt it was imperative to closely examine the initial efforts of putting together a cost-effective and responsive system that can put people back to work.

TAPIC wishes to emphasize that the resulting management review of EDWAA is not a detailed program evaluation or financial audit. The program will be operational for a few more years before more definitive studies are conducted to gauge its relative effectiveness and to identify its strengths and weaknesses. That caveat notwithstanding, a number of pressing questions and issues arose in the first year of implementation. Among those issues were critical comments that dislocated workers were not being provided job training services and media reports that Texas was sending badly needed money back to the federal government.

For that reason, we believed it necessary to conduct a review of first year operations, and provide a base from which to identify serious problem areas that might impact the second program year. Through such a review, TAPIC can propose meaningful recommendations to increase the overall effectiveness of the program.

In addition to a review of the state's role in the management and administration of EDWAA, TAPIC selected three local substate areas (SSAs) for more detailed examination. These three local areas were the Hidalgo/Willacy Counties SSA, the Tarrant County SSA, and the Alamo SSA.

The Hidalgo/Willacy area is a predominantly rural area that was the recipient of federal disaster assistance as a result of the freeze of 1989. Tarrant County was the lead SSA in a worker layoff that affected five other SSAs, and the Alamo area was involved in numerous plant layoffs,

including a Levi Strauss shutdown that laid off approximately 1100 workers. These three areas, supplemented by visits and conversations with other SSAs throughout the state, provide the basis for most of the findings and recommendations provided in this review.

I would like to acknowledge the contribution of Pedro Ruiz Garza, President of Policy Research Group, for his professional collaboration on this study. Mr. Garza served as outplacement coordinator for Levi Strauss & Company in San Antonio, and his personal insights and observations resulting from that experience were crucial to the development of this report.

Our hope is that this report be received in the constructive fashion in which it is intended, and that our recommendations be viewed not as criticism, but as positive suggestions for a more effective EDWAA service delivery system in the state. As we are reminded by the late H.L. Mencken, "Hats off to the past, but coats off to the future."

John D. Baker
Executive Director

THE ECONOMIC DISLOCATION AND WORKER ADJUSTMENT ASSISTANCE ACT:

AN OVERVIEW

Traditional employment and training programs have targeted resources at specific groups within local labor markets. Thus training and development strategies for youth enrolled in school would differ from programs targeted at single parents receiving welfare. It is within this traditional context that Congress authorized programs for dislocated workers under Title III of the Job Training Partnership Act of 1982. Dislocated workers, with a history of successful participation in the job market, have needs that are different from those groups identified in other titles of the JTPA. Title IIA, for example, is targeted at disadvantaged adults, and Title IV is targeted at smaller labor market groups such as migrant farmworkers, native Americans, veterans, older workers, and others.

The national economy underwent structural changes as a result of technological advances, international trade, changing consumer tastes, and federal fiscal and monetary policies. Increased numbers and needs of dislocated workers provided the impetus for substantial changes to Title III of the JTPA, culminating in legislation named the Economic Dislocation and Worker Adjustment Assistance Act (EDWAA).

EDWAA is actually *Subtitle D of Title VI of the Omnibus Trade and Competitiveness Act of 1988*. The Omnibus Trade Act amended the Job Training Partnership Act by substituting EDWAA in place of Title III. For that reason, Title III of the JTPA and EDWAA are often used interchangeably. Additionally, the phrase "dislocated worker programs" is used in a generic reference to EDWAA or Title III. For the record, EDWAA became public law on August 23, 1988, but did not become operational at the local substate level until July 1, 1989, giving states about a year for transition and planning activities in anticipation of EDWAA.

FUNDING ALLOCATIONS TO TEXAS

Total funding available to Texas during program year 1989 was $36,422,545. This sum was apportioned by law and regulation under the following categories:

Formula Funds For Local SSAs (60% money)		$14,999,960
State Reserve (40% money)		13,132,546
State Rapid Response Activities		721,743
Subtotal		**$28,854,249**
Supplementary Funds Authorized		7,568,296
Disaster Relief	$2,980,000	
Special Initiatives	4,588,296	
Total EDWAA Funds in Texas		**$36,422,545**

AUTHORIZED ACTIVITIES AND EXPENDITURES

The Governor's State Reserve (40% money) may be used for discretionary grants to substate areas and to fund the mandated state activities such as administration, management, and coordination; regional, statewide, or industry-specific projects; and, rapid response activities.

Allocations made to substate areas (60% money) may be used for substate programs with the following spending limitations:

- At least 50% must be spent on **retraining services** (Governor may waive this requirement to no less than thirty percent.)
- Not more than 25% may be spent for **supportive services** and **needs-related payments** to participants.
- Not more than 15% may be spent for administrative services.
- An unspecified amount may be spent for **basic readjustment services**. This amount will vary based on expenditures for retraining services, supportive services, and needs-related payments to program participants.

The next page is a summary of the various activities that are allowable within each of the four spending categories.

ALLOWABLE PROGRAM ACTIVITIES WITHIN COST CATEGORIES

Retraining

(No less than 50 percent local expenditures must be spent by substate areas, unless a waiver is approved by the state.)

Advanced career training
Attainment of GED
Basic skills training
Bilingual training
Classroom training
Commercial training packages
Customized training
Entrepreneurial training
Institutional skills training
Job search assistance (out of area)
Literacy training
Occupational skills training
On-the-job training
Performance based training
Pre-apprenticeship training
Relocation
Remedial education
Staff costs directly tied to training

Readjustment Services

(No dollar amount is specified in the legislation, and expenditures in the other categories determine the level spent in this category.)

Assessment
Career counseling
Development of individual plans
Developing work habits
Disseminating information to employers
Early re-adjustment activities
Employer programs
Intake

Job clubs
Job development
Job placement assistance
Job search assistance
Labor market information
Orientation
Outreach
Post-placement services
Pre-layoff services
Program coordination
Relocation assistance
Testing
Vocational exploration
World of work orientation

From the first two categories, one can readily see that an almost inexhaustible array of services are available for ideal program mixes at the local level. A discussion of how these authorized services are utilized by SSAs will follow in the section on Program Observations and Findings.

Supportive Services

(The legislation sets a limit of no more than 25 percent of total expenditures for this category.)

Needs related payments
Personal counseling
Post-placement services
Supportive services

Administration

(A **15** percent limitation on administrative services is placed on local operations by the legislation.)

Executive direction
Office and clerical support
Management information systems
Program planning
Follow-up services
Monitoring and evaluation

PARTICIPANT ELIGIBILITY

The legislation is fairly explicit on who is eligible to be served under EDWAA. Specificity is carried to such a degree, however, that the practical effect of explicit participant requirements is to allow almost any individual who has a history of employment, but has been laid off due to a plant shutdown, downsizing, or relocation, to qualify for services.

The following eligibility criteria is a summary interpretation of those individuals who are eligible for EDWAA.

Eligibility Criteria

All individuals, regardless of residence or income experience who:

- Have been terminated
  have been laid off
  have received notice of termination
  have received notice of layoff
  are eligible for unemployment compensation
  or have exhausted unemployment compensation

  and are unlikely to return to their previous industry or occupation.

- Have been terminated or
  have received notice of termination

  as a result of any permanent closure of,
  or any substantial layoff,
  at a plant, facility, or enterprise.

- Are long-term unemployed and have limited
  opportunities for employment or re-employment
  in the same or a similar occupation
  in the area in which they reside
  including older individuals who may have substantial
  barriers to employment by reason of age.

- Were self-employed and are unemployed as a result of general economic conditions in a community or because of actual disasters including farmers and ranchers.

- Farm and ranch hands of individuals who were self-employed but are now unemployed or going out of business.

A CLOSE LOOK AT TEXAS: PROGRAM OBSERVATIONS AND FINDINGS

The abundance of printed materials initially produced by the Texas Department of Commerce (TDOC) was primarily public relations in nature. The emphasis placed on materials by TDOC officials seemed to be on marketing the new legislation, its services and its benefits, rather than on providing policy and technical guidance to local substate areas. Most of the technical materials provided during the initial planning and transition phase to local Substate Areas (SSAs) were copies of guidelines and policies developed and implemented in other states.

For example, in the absence of written Texas guidelines allowing for a timely response to the needs of workers affected by the 1989 freeze in the Hidalgo/Willacy Counties SSA, local officials had to appeal directly to California and South Carolina. It was expected that policies and guidelines produced in these other states would facilitate their application for federal disaster relief. Even after two devastating freezes in South Texas, numerous tornadoes, yearly hurricane threats, and severe droughts in the last decade, to the best of our information, there are still no official state policies that provide step-by-step guidance for the next natural disaster to hit the state.

The review team learned that most responses to local SSA questions were provided by agencies and officials in other states. Much of the technical assistance manual provided Texas SSAs, for example, dealt with the experience of SSAs in the state of Washington. While the degree of cooperation exhibited in obtaining needed information from other states is commendable, it is to be preferred that basic technical information be available from Texas, so as to be directly applicable, and supplemented by information from other areas of the country.

For the most part, members of the review team were welcomed by officials whom we contacted for interviews, and most officials were responsive when we requested

copies of policies, reports, planning guidelines, or other materials needed for our review. The only exception to this observation was our experience with the Texas Department of Commerce (TDOC), an experience which will be briefly described below.

The review team met with local officials from the following substate areas:

Site	Date
Hidalgo/Willacy Counties	August 6-7, 1990
Tarrant County	July 26, 1990
Texoma	July 13, 1990
Corpus Christi/Nueces County	July 27, 1990
Tarrant County	August 21-22, 1990
Alamo	August 29, 1990

Representatives of the review team also attended a statewide seminar for Title III presented by the TDOC in Corpus Christi during the week of August 15-18, 1990. We also participated in meetings of the State Job Training Coordinating Council (SJTCC) in South Padre Island (May 31), San Antonio (August 15), and Austin (October 25), and visited with officials of the Regional Office of the U.S. Department of Labor (USDOL) on October 2, 1990.

The review team also participated in hearings conducted by the Joint JTPA Monitoring Committee of the Texas Legislature in Austin on September 17, 1990.

As we noted above, most regrettably, we were unable to meet formally with officials from the TDOC. In response to personal and telephone requests for a meeting, the Texas Association of Private Industry Councils (TAPIC) was informed to submit our request in writing, stating the purpose of the desired meeting. In response to our written request for a meeting, we were informed through correspondence by the TDOC that a meeting was not possible and that we should submit our questions in writing. While personal interaction was to be preferred, we submitted our questions as requested.

More than two months after our initial request for a meeting, we had not received an official reply from the Department. Fortunately, most Department policies are in the public domain. We were able to obtain needed information from official sources such as briefing materials prepared for the State Job Training Coordinating Council (SJTCC), minutes from official SJTCC meetings, planning guidelines and policy issuances available through local substate areas, and financial and program reports available through SJTCC or SSA sources. Other plentiful materials were provided to us by officials in local SSAs or through our participation in conferences and workshops.

Therefore, while personal interviews with officials of the Work Force Development Division of the Texas Department of Commerce were not possible, the public record has a wealth of official information sources, including publications, manuals, and policy directives which are available to TAPIC. Our conclusions are based on those materials as complemented by our meetings with local and other relevant officials.

As a footnote, after this report had been prepared, we did receive a brief reply from the Texas Department of Commerce. Copies of our correspondence and Department replies are Appendix II to this report.

PROGRAM MANAGEMENT MODELS

Local flexibility is a double-edged sword. On the positive side, local SSAs have the flexibility to structure service administrative and service delivery systems that best conform to existing political and organizational realities. On the other hand, there is such wide diversity in the local management of EDWAA that efforts at uniformity and standardization within a statewide system are made difficult, if not impossible. Available resources allowed for a review of only three SSAs. If the reader will keep in mind that there were thirty-two SSAs in PY1989, each with its own unique policy and administration structure, the complexity of the EDWAA system statewide will be more fully appreciated.

Geographical Areas

The Hidalgo/Willacy Counties SSA serves a consortium of two counties. The Tarrant County SSA serves the balance of Tarrant County not served by the City of Fort Worth SSA. The Alamo SSA covers a regional planning area that encompasses the city of San Antonio, Bexar County, and nine other surrounding rural counties.

Local Elected Officials and Partnership Agreements

The Hidalgo/Willacy Counties SSA is a partnership between the private industry council (PIC) and the county governments of Hidalgo and Willacy. The chief elected officials are the respective County Judges.

The Tarrant County SSA involves a partnership between the PIC and the Tarrant County Commissioners Court. The chief elected official is the County Judge.

The Alamo SSA has a partnership agreement with the Commissioners Courts of Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, and Wilson counties, and the City Council of San Antonio. The chief elected officials are the respective County Judges and the Mayor of San Antonio.

The local partnership agreement provides the legal foundation and framework for policy and oversight in each SSA. Given the number and diversity of the political jurisdictions, each local partnership agreement is different.

Grant Recipient and Administrative Entity

Under the JTPA, the *grant recipient* is the entity within each SSA that *receives, administers, and accounts for* the federal funds disbursed to the particular SSA.

The *administrative entity* may be the *same* organization as the *grant recipient*, or it may be a separate unit. To understand the complexity of the system, it may be useful to keep in mind that the local *partnership agreement* between the private industry council (PIC) and the chief elected official (CEO) is the final local authority on all matters relating to the JTPA, including EDWAA.

The private industry council sets policy and is responsible for developing a local plan and providing oversight and evaluation of the program. As specified in the JTPA legislation, the PIC is an equal partner with the *chief elected official* in the SSA. The CEO must concur with the PIC before JTPA actions are considered official. Disputes between PICs and CEOs are resolved ultimately by the Governor, or by the Secretary of Labor.

Entities to serve as *grant recipients* and *administrative entities* must be selected, and specified, in the partnership agreement negotiated between the PIC and the CEO. Although the JTPA specifies "chief elected official," TAPIC does not know of a single instance in which the chief elected official acts unilaterally, without the concurrence of the city council, or commissioners court, or appropriate elective body. Individual charters of local government would define instances, if any, in which the CEO may act on behalf of a local jurisdiction.

In Hidalgo/Willacy Counties, the *grant recipient* is Hidalgo County, and the *administrative entity* is a county department, the Department of Community Affairs. It is generally acknowledged that Hidalgo County administers the program.

In contrast, the *grant recipient* and the *administrative entity* in Tarrant County is officially the county itself. The local private industry council, with the full support of the County, is responsible for program operations.

In the Alamo SSA, the *grant recipient* is the City of San Antonio and the *administrative entity* is the Department of Economic and Employment Development for the City of San Antonio. Unique to the Alamo SSA is that the private industry council maintains a significant staff to assist the PIC with its policy, planning, and oversight functions. It is not unusual for the two staff units (employed by the PIC and by the City of San Antonio) to differ on both substantive and procedural issues.

Finally, while the City of San Antonio bears responsibility for the *administration* of EDWAA, *policy* and *oversight* are the result of a genuine partnership prescribed in the local agreement between the City, Bexar County, and nine surrounding counties, on one hand, and the Alamo Private Industry Council, on the other.

FINANCIAL PERSPECTIVES

Planning Guidelines

Under the policy provisions of EDWAA, the Governor is responsible for the designation of substate service areas, substate grantees, development of allocation formulas, preparation of local planning guidelines, and submission of a state service plan to the U.S. Secretary of Labor.

There is widespread agreement among EDWAA professionals that the Texas Department of Commerce (TDOC) did not adequately anticipate, or prepare for, the widespread changes in Title III of the JTPA mandated by the new EDWAA legislation. Part of the difficulty in preparing planning guidelines may have been due to key personnel changes in the TDOC at the time that EDWAA became law. Part of the difficulty may have been that the TDOC underestimated the task facing it, and waited too long in beginning the process of drafting the guidelines. Clearly, the process should have been initiated earlier in program year 1988, after responsibility for administering the JTPA in Texas was transferred from the Texas Department of Community Affairs to the then fledgling Texas Department of Commerce.

Explaining the delay, some TDOC staff persons have said that growing pains normally associated with a new state agency were primarily responsible in initiating a thorough planning process. That may be the case. After a full year of operations, however, and with the lead time provided the state by the U.S. Department of Labor, the relative newness of a Department should not have been a factor in preparing adequately for EDWAA.

More legitimate reasons have been advanced by those who believe the delays were caused by the untimely reassignment of the Title III director, coupled with the resignations of the Director of the Work Force Development Division and the Executive Director of the TDOC during the planning phase for EDWAA. In the absence of executive leadership, other management staff did not have the authority to proceed with the crafting of state policy. By the time the state service plan was due at

the Regional Office of the U.S. Department of Labor (USDOL) on May 1, 1989, the state was not adequately prepared for its submittal. Only through the timely intervention by the Regional Director of the USDOL, local SSA officials, the State Job Training Coordinating Council (SJTCC), and members of the Governor's Office, was a state plan prepared and submitted to the USDOL for funding and implementation.

Development and Implementation of Allocation Formula

The EDWAA legislation specifies six factors which the Governor must use in allocating funds to the substate areas. The legislation adds that the criteria "need not be limited to" these six, and allows Governors to use "an appropriate weight for each of the formula factors" if they deem it worthy or necessary to do so.

The six formula factors and appropriate weights are

- Insured Unemployed Data 19.998%
- Unemployment Concentrations 19.998%
- Plant Closing and Mass Layoff Data 19.998%
- Declining Industries Data 19.998%
- Long-term Unemployment Data 19.998%
- Farmer-Rancher Economic Hardship Data 00.010%

In a practical sense, the state (Governor) has considerable leeway within the six factors in determining SSA allocations. For example, the state interpretation, consistent with U.S. Department of Labor guidelines, was to use the following data under each formula factor:

- Insured Unemployed Data: number of initial unemployment insurance claims.

- Unemployment Concentrations: number of unemployed, unemployment rate, distribution of unemployment.

- Plant Closing and Mass Layoff Data: number of business entities, number of workers separated, number filing for initial unemployment compensation.

- Declining Industries Data: difference in non-farm employment 1984-86.

- Farmer-Rancher Economic Hardship Data: difference in farm employment 1984-86.

- Long-term Unemployment Data: number of individuals who have exhausted unemployment insurance.

The initial problem with the formula begins with the federal legislation which makes the formula needlessly complicated. The second problem, equally serious, is that the information to be used in the allocation formula is not available. If the information were readily and uniformly available, it could be tabulated by county and then aggregated by substate area. In the absence of reliable data, the formula becomes a series of delicate data maneuverings to maintain a sense of fairness and equilibrium throughout the state.

Each state was allowed the flexibility because of the disparate needs of individual states. For that reason, the legislation allows each state to add other factors to the formula, and to attach relative weights to each variable. Thus, if one were to assign equal weight to "rancher-farmer hardship" as to the number of "initial claimants for unemployment insurance", rural areas would receive more money proportionately than urban areas.

The state is also allowed flexibility in determining exactly how to measure each individual formula component. To measure the extent of unemployment, one may use actual numbers or percentages. If one places greater emphasis on unemployment *rates* than on actual

numbers of unemployed persons, areas with high rates of unemployment, such as Laredo, would get proportionately more money than areas such as Houston, where the total *number* of unemployed persons is much greater.

The complexity of the formula, the difficulty in obtaining reliable information, and the arbitrary assignment of relative weights to each factor makes the EDWAA funding formula extremely difficult to understand, much less explain. Among the many officials interviewed by the review team, there was not a single person who could explain the allocation formula, the data used, or the relative weights attached to each.

Additionally, the review team concluded that the allocation formula utilized by the state was not very useful in apportioning funds to where the need was greatest. For the most part, state discretionary monies were used in the course of the year to supplement shortfalls experienced by numerous SSAs as a result of the formula allocation rather than using these funds to respond to acute situations.

An examination of the Governor's 40% discretionary monies, based on third quarter financial reports, illustrates our point:

Discretionary Funds
As Percentage of Formula Funds

SSA	60% Funds	40% Funds	Percentage
Alamo	1,059,361	4,500,000	424%
Tarrant County	300,679	1,750,000	583%
Hidalgo/Willacy Counties*	458,026	-0-	-0-

* Hidalgo/Willacy received $1,300,471 (or 284% of their formula allocation) in federal disaster relief funds to assist farmworkers dislocated by the 1989 freeze.

There is merit in using discretionary funds to offset inequities in formula allocations. The review team, however, believes that the current formula should not be viewed as cast in concrete. We believe that there is merit in

changing the formula (as allowed by the legislation) to be more responsive to actual needs. In that fashion, discretionary funds could be used for regional, statewide, industry-specific, or innovative projects as foreseen by the legislation

Timeliness of Response in Allocating Discretionary Funds

There were times in the course of the program year when the state told its Rapid Response professionals in the field that discretionary funds were "overspent" and to drastically cut back on commitments. Within days, the order was rescinded, and program representatives were told that discretionary monies were actually "underspent" and to increase their level of funding commitments.

Based on other incidents similar to the one above, the confidence level of SSA officials in the ability of the Texas Department of Commerce to effectively manage EDWAA program funds was tested time and again in the course of the program year. This created an atmosphere among the SSAs that invited an overly cautious attitude which slowed down overall response time to a layoff.

But at the local level, SSAs were sometimes hampered in utilizing discretionary funds more effectively by the complexity of the process for approving and committing new funds, as previously discussed. Given the long delays in obtaining needed approvals by the relevant local authorities, local administrators had to respond to mass layoffs and plant shutdowns on verbal instructions and informal agreements. Needless to say, local SSA administrators were willing to operate on an informal understanding only to a limited extent.

Anticipating a need for additional resources based on a mass local layoff, for example, the Alamo SSA administrator could petition the state *unofficially* for additional resources, and be given *verbal approval* on a specified sum within a reasonable time period.

Official paperwork requirements took longer. Local elected officials and the private industry council still needed to approve an official request for additional funds

before the state, itself, could take official action. The written state award of additional funds and contract conditions, in turn, then had to be acted on by the local elected officials, representing the other side of the partnership.

Only at that time could the local SSA initiate its own proposal/contracting process with local vendors and service providers. In other words, the money may have been allocated verbally, but only a foolhardy administrator would actually encumber that money prior to having all the official paperwork duly completed. The time delay from the moment when the funds should be committed to the time that they are actually available to service providers often stretches to 90 or more days.

Federal Disaster Relief Funds

The initiative demonstrated by the Hidalgo/Willacy Counties SSA in petitioning for federal disaster relief funds was commendable and exemplary. While the debilitating freeze to hit the lower Rio Grande Valley happened in the midst of the holiday season, employees of the substate area were in the office the week between Christmas and the New Year communicating with their counterparts in South Carolina, devastated by Hurricane Hugo, and California, wrecked by the San Francisco earthquake.

The damage inflicted by a freeze is not as immediately dramatic as that inflicted by an earthquake or a hurricane, but the widespread damage is long-lasting and severe. It is apparent that weeks of potential bureaucratic delay were avoided due to the timeliness of the information relayed by the states of South Carolina and California.

Armed with precedent-setting activity by the U.S. Department of Labor (USDOL) in these two other states, the substate area took the lead in moving state government officials to petition the USDOL for federal disaster relief funds. A personal request from Governor William Clements to Labor Secretary Elizabeth Dole resulted in $1.3 million dollars being committed in time to begin emergency operations assisting the affected agricultural workers.

Five SSAs were included in the geographical area affected by the 1989 freeze. These five SSAs were included in the petition to the federal government (through the Governor's Office) for federal disaster relief funds.

Their financial report follows:

SSA	Budget Amount	Amount Spent	% Spent
South Texas	$ 238,400	$ 237,932	99.8%
Alamo	231,428*	52,210	22.5%
Hidalgo/Willacy County	1,300,472	1,300,471	100.0%
Cameron County	390,678	345,817	88.5%
Middle Rio Grande	819,202	750,522	91.6%
Total	**$ 2,980,000**	**$2,686,944**	**90.1%**

* Covered one rural county in SSA. Alamo was added to the petition only after all other areas were operational.

Special Initiative Funds

Understanding the complexity of the task facing local SSAs, and to facilitate a successful transition of EDWAA into local program operations, the U.S. Department of Labor made an additional $42 million available to the states for special start-up costs and unexpected expenses. This sum became available from the national reserve account for program year 1988, and was simply reprogrammed to the states according to the EDWAA funding formula.

Of the $42 million nationally, Texas received $4,588,296 to distribute among the thirty-two SSAs, again according to EDWAA formula allotments. The largest sum was the $906,093 allotment to the City of Houston-Galveston Area SSA, a consortium of three SDAs: City of Houston; Harris County; and Gulf Coast. The smallest allotment, $58,132, was made to the South Plains SSA.

JTPA Policy Issuance #89-17 by the Texas Department of Commerce provided local SSAs with policy guidance on management and administration of the special initiative funds.

The issuance stated in part:

> "Because the Special Initiative funds are from the PY1988 national reserve account, certain administrative provisions apply:
>
> a. These funds are not formula funds. ...They will not be included as part of the PY1988 or PY1989 formula allotment, nor will they be included in the amount of unexpended formula funds at the end of the program year.
>
> b. These funds will remain available for expenditure during PY1989 and PY1990.
>
> c. These funds are to be distributed and expended in accordance with EDWAA formula funds..."

Two salient features are noteworthy. The funds were intended to facilitate transition activities, to be spent at the beginning of the program year. Since the funds were not subject to reallotment, the policy issuance stated that "The State recommends using the formula funds first since these special initiative funds are not subject to reallotment."

Twenty-four SSAs did not charge any expenditures to their special initiative funds account. Only four SSAs, that spent 100 percent of their 60% formula allotment, expended any appreciable percentage of the special initiative funds: Permian Basin (88.5%), Golden Crescent (86.9%), Concho Valley (75.7%), and Houston/Galveston (43.7%). Austin/ Travis County spent 42.7%, Dallas County spent 19.9%, East Texas, 9.8%; and, Corpus Christi/Nueces County 3.5% of their available funds.

Even though the funds were meant as transition funds, the issuance also stated that they would "remain available for expenditure during PY1989 and PY1990." Adroit administrators took little time in noting that if the funds

did not have to be spent until June 30, 1990, the prudent course was to save them in reserve.

The following data, from fourth quarter expenditure reports, illustrate the statewide expenditure rates:

Special Initiative Funds

Category	State Total	Amount Spent	% Spent
Special Initiative	$4,588,296	$720,521	15.7%

De-obligation and Re-obligation of Underspent Funds

One of the learning processes in the first year of EDWAA operations involved policies having to do with de-obligating underspent funds from an SSA and assigning additional funds (re-obligating) to those SSAs who could spend the money effectively.

Most observers agree on a need for transferring funds from areas where the funds are not being spent, to areas where the need is great and funds are scarce. These same observers, however, also understand that taking money away that has already been obligated is an extremely delicate point that needs to be addressed with utmost deliberation and only after careful consultation with the affected parties.

Major problems were experienced in program year 1989 when the state made its first attempt to de-obligate previously committed monies. When the state announced plans to de-obligate funds from selected SSAs, the SSA administrators complained that the state had acted in contradiction to its own policies, noting that these policies had already been adopted by the State Job Training Coordinating Council (SJTCC) and approved by the Governor. In its unilateral action, administrators charged that the state was acting arbitrarily and trying to take money away from individual SSAs without the benefit of consultation or due process.

The state de-ob decisions were based on second quarter financial reports. The State's revised policy dictated that "any SSA with an expenditure rate of less than forty percent on December 31, 1990, was de-obligated at one

percent for each percentage point below forty percent expenditure with a maximum of fifty percent de-obligated from any single SSA."

However, as a report to the SJTCC stated during Council deliberations, State financial reports "reflected inaccurate reporting when compared to the official financial reports for the same time period. Subsequent investigation revealed delayed reports, inconsistent reporting, and slow program start-up." Heeding these angry concerns from local SSAs, the Texas Department of Commerce agreed to further study and consultation with the stipulation that if "SSAs could show that the Title III were contractually obligated, they would not be de-obligated."

Policy Governing Use of Underspent Funds (Carry-over)

Fourth quarter financial reports disclose the following:

Category	Budget Amount	Amount Spent	% Spent
60% Funds	$14,999,960	$14,101,880	94.0%
40% Funds	14,528,753	11,944,478	82.2%
Special Initiative	4,588,296	720,521	15.7%
Disaster Relief	2,980,000	2,686,944	90.2%
Total	**$37,097,009**	**$29,454,133**	**79.9%**

These figures, governed by different federal and state guidelines, mean that $37,097,009 was available to spend in Title III, and that $29,454,133 was actually spent. In other words, a sum of $7,642,876 was left on the table in PY1989. What do these numbers portend for PY1990?

The question was asked of five local SSA administrators and all were unanimous in their response. They understood that no dollars from PY1989 were being returned to the U.S. Department of Labor, and they

believed that any underspent money they had from PY1989 would be available for their use in PY1990.

To the best of their understanding, they were operating on a belief that they would be able to "carry over" unspent monies into PY1990. Not one single administrator believed that the funds would be recaptured (taken away) or reprogrammed (given to someone else) by the Texas Department of Commerce. Regrettably, there was no written policy to support their assumptions. All administrators questioned were unanimous in their statements that they did not know what policy existed, or would be developed, to govern use of underspent funds.

The underspending, as we have noted, was primarily in the special initiative and 40% accounts. The following charts provide a breakdown of SSA expenditure rates by category:

Category: 60% Formula Allotments

100% Expenditure: 14 SSAs

Austin	Golden Crescent
West Central Texas	Permian Basin
Dallas County	Cameron County
Rural Coastal Bend	Concho Valley
Houston/Galveston	South East Texas
North Texas	Upper Rio Grande
Tarrant County	Panhandle

90-99% Expenditure: 7 SSAs

Texoma	Corpus Christi/ Nueces County
Alamo	Middle Rio Grande
Brazos Valley	Central Texas
South Plains	

80-89% Expenditure: 6 SSAs

City of Dallas	City of Fort Worth
North Central Texas	Heart of Texas
Deep East Texas	Lubbock/Garza Counties

Below 80% Expenditure: 5 SSAs

South Texas	Hidalgo County
Rural Capital Area	East Texas
Ark-Tex	

Category: 40% Discretionary

100% Expenditure: 3 SSAs

Golden Crescent	Panhandle
Alamo	

90-99% Expenditure: 4 SSAs

Rural Coastal Bend	Hidalgo/Willacy Counties
Permian Basin	Cameron County

80-89% Expenditure: 3 SSAs

Tarrant County	Upper Rio Grande
Middle Rio Grande	

Under 80% Expenditure: 8 SSAs, 3 Contractors

West Central Texas	South East Texas
Dallas County	City of Houston-Galveston
Central Texas	UT Dislocated Worker
North Texas	UT-Austin
City of Forth Worth	TEC-Rapid Response
Concho Valley	

Did Not Receive 40% Discretionary Funds: 14 SSAs

City of Dallas	Deep East Texas
South Texas	Heart of Texas
Austin/Travis County	Brazos Valley
Rural Capital Area	South Plains
Texoma	Corpus Christi/Nueces County
Ark-Tex	East Texas
North Texas	Lubbock/Garza Counties

PROGRAM PERFORMANCE

Understanding that cost figures are no longer used as contractual performance standards, it is useful, nonetheless, for policy development to fix a cost per placement and gain an appreciation for the level of public investment required for each person that enters directly into unsubsidized employment from an EDWAA program.

Formula and Discretionary Allocations

The only information available to the research team on program participants is for 60% formula and 40% discretionary programs. No data was available from the Texas Department of Commerce for special initiative funds nor federal disaster relief programs.

Terminations and Cost Per Placement

The total number of persons who terminated from (completed) the two programs and who entered employment during PY1989 was 7,843. If the total amount spent statewide in these two categories was slightly over $26 million, the cost per placement averages $3321 per placement.

The total number of participants was 18,835, of which 11,521 terminated from the program. This means that 7,314 participants are still active in EDWAA and will continue into PY1990. Assuming present cost levels, at the same level of funding, one would expect 11,521 new participants in 1990.

Fortunately, the state has been informed by U.S. Department of Labor that PY1990 will increase to approximately $39 million, up from the PY1989 funding level of $29.5 million. With the underspent PY1989 funds and the additional PY1990 funds, the state should be able to serve approximately the same number of new individuals in PY1990 as in PY1989. Thus, if 18,835 new participants are enrolled in EDWAA programs, one would expect the total number of participants in PY1990 to be 26,149, which represents an increase of almost 40% over PY1989.

Entered Employment Rate

During the legislative hearings prior to the enactment of EDWAA, an official representing the AFL-CIO noted the differences between adult Title IIA participants, and expected EDWAA participants:

> "Unlike many Title IIA participants, dislocated workers have strong attachment to the labor force, have long and reliable work histories, have marketable skills, and have transferable skills which need to be assessed and related to other job and training opportunities."

Given the differences between the two client groups, one should expect higher entered employment rates and higher average wage at placement for EDWAA participants. Not surprisingly, program data confirms that expectation. The entered employment rate for EDWAA clients was 68.1%, compared to the entered employment rate of 38.1% for Title IIA programs. This figure is somewhat skewed by the fact that school retention programs and youth competency terminations lower the effective placement rate among those individuals where placement is a goal. Similarly, the average wage at placement for EDWAA participants was $8.96 an hour, which compares favorably to the average wage at placement of $5.24 an hour.

Comparison of Title II and Title III Participants

The overwhelming majority of Title II participants are minorities. The job and income histories of EDWAA participants contrast sharply with those of Title II clients. Regrettably, this observation is made on partial data. The Annual Report to the Governor for PY1987 had Title III participant characteristics, but the Annual Report to the Governor for PY1988 did not. The Annual Report for PY1989 had not been released as this review was being prepared.

Program data from program year 1987 dramatizes the ethnic differences in the participants in Titles II and III of the JTPA.

Participant Characteristics
JTPA Experience in Texas: 1987

	Title IIA	Title IIB	Title III
Hispanic	38%	44%	17%
Black	32%	43%	19%
Anglo	27%	11%	62%

For purposes of comparison, the following participant data from 1987-1989 may be useful, with the qualification that EDWAA operations differed markedly from Title III operations in pre-1989.

Program Year Comparisons: Title III

	# of Programs	# of Participants	# of Completions	Entered Employment	Entered Employment Rate
1987	na	9,000	8,100	5,100	na
1988	37	11,391	8,700	5,741	66.0%
1989	35	18,835	11,[illegible]	7,843	68.1%

PROGRAM EXPENDITURES AND CONSTRAINTS

PY1989 EDWAA Expenditures
(Does Not Include Special Initiative Nor Disaster Relief Funds)

Category	Expenditure	% of Total
Administrative Services	$ 3,049,345	11.7%
Basic Readjustment Services	5,755,503	22.1%
Supportive Services	2,030,855	7.8%
Training Services	15,210,965	58.4%
Total Spent	**$26,046,668**	**100.0%**
Annual Budget	**$29,528,713**	

If one compares 60% formula allocations with the 40% discretionary funds, the expenditure pattern will be as follows:

Category	60% Formula	40% Disc.	Total EDWAA
Administrative Services	13%	10%	11.7%
Basic Readjustment Services	26%	18%	22.1%
Supportive Services	9%	6%	7.8%
Training Services	52%	66%	58.4%
Total Spent	**$14,101,880**	**$11,944,788**	**$26,044,669**

EDWAA legislation places a 15% limit on administration. The legislation specifies that at least 50% of total funds be spend on training, and that no more than 25% be spent for needs-related payments and supportive services. As the chart illustrates, the state met all the spending requirements specified in the Act. As local SSAs increased their funding levels, a dramatic increase also took place in the sum spent for training services, while a smaller percentage was spent on administration, supportive services, and basic readjustment services. That administrative expenses (as a percentage of total program expenditures) decline as program budgets increase is an expected development, arguing for consolidation of smaller program units into larger administrative operations.

MANAGEMENT AND ADMINISTRATION

As the chart in the previous section illustrates, service providers spent 7.8% percent on supportive services and needs-related payments. Since the legislation placed a limit of 25% on supportive services and needs-related payments, one may only surmise that legislators expected

a greater demand on these services than the needs of dislocated workers warranted.

Actually, managers and administrators are striving to obtain a sound understanding of dislocated worker needs. As this report has noted, EDWAA participants break the traditional JTPA client mold in that generally they do have longer work histories and more stable family incomes. But plant shutdowns and layoffs know no color lines or income barriers. Among the three SSAs reviewed, major dislocated populations involved wide dissimilarities. SSAs served highly educated and highly paid "Anglo" airline pilots at one extreme, and monolingual, little educated Hispanic farm workers on the other.

Administrators have been faced with competing arguments on what services dislocated workers need. There are those who focus on the psychological trauma a person faces when losing his or her livelihood. The appropriate program response to such a need is personal counseling, group therapy, and support services to enable a person to cope with the drastic change in his or her livelihood.

Other professionals who emphasize a need for education and training view personal counseling services as a dominant program activity that drains resources from their preferred service activity. While acknowledging the psychological problems a laid off worker experiences, these professionals maintain that the root cause of the personal trauma is the loss of a job. Therefore, the program focus should be on placing that person back on a job as soon as possible. Very briefly stated, these professionals believe that the dislocated worker has not been previously diagnosed as having a psychological disorder, and has been functioning effectively as a member of society. Therefore, the recommended program response in such a case is to place the person in job training, or help the person find a job. The sooner that a client can see a light at the end of the tunnel, the sooner the source of their anxiety is addressed.

"We are not a job placement agency," professionals at a dislocated worker center told EDWAA participants in one SSA. "We will assist you in job search services, but you will have to find a job on your own." Of course, the service

center's contract with the local SSA did not specify job placement as an activity.

EDWAA participants, desperately looking for a job, are often discouraged if they are not promised a job. They lack the self-confidence that they can obtain one on their own. EDWAA participants looking for understanding, group therapy, camaraderie, and time to get "their act together" would be more likely to be receptive to a different program strategy.

The review team believes that a fifty percent requirement for training is not that demanding, and the focus should continue to be placed on training, rather than basic readjustment services. After one year of operation, the state experience has demonstrated that the 50% requirement can be met. The following chart illustrates how the three SSAs reviewed for this study performed in this area:

Percentage Expenditures by Program Category: Selected SSAs

SSA	Administrative	Readjustment	Supportive	Training
Alamo 60%	11.3%	23.6%	9.2%	55.9%
Alamo 40%	8.3%	31.4%	5.6%	54.7%
Hidalgo 60%	19.9%	8.8%	3.6%	67.7%
Hidalgo 40%	9.3%	-0-	-0-	90.7%
Tarrant 60%	15.0%	21.0%	9.0%	55.0%
Tarrant 40%	8.6%	8.9%	5.4%	77.1%

The Hidalgo/Willacy Counties SSA, in particular, did not place much emphasis on job clubs and job search activities (example: resume writing, use of telephone to find a job, interviewing techniques, how to read the want ads, grooming advice, etc), and focused their resources on training. Given the historically high unemployment in the

area, and the relative low education and job skills of EDWAA clients in the SSA, such a strategy is a sound one. To provide job search activities to participants who are not job ready, who are not English proficient, and in need of skills training, is to play a cruel hoax on them. On the other hand, resources would be wasted if more job-ready clients were required to be "retrained."

GROUND ZERO: THE LOCAL EXPERIENCE

Hidalgo/Willacy Counties

Perhaps the model coordinating activity took place in Hidalgo/Willacy and involved not the state of Texas, but local officials working in conjunction with officials in San Francisco and South Carolina. "By the time people in Austin got back to the office from their holidays," said one local official, "we had already had discussions and exchanged materials (the ubiquitous fax) with people in California and South Carolina."

Information provided and recommendations made by those officials greatly facilitated the task of the local SSA in drafting a proposal for the Governor to endorse and forward to the Department of Labor.

If coordination with outside state officials was exemplary, coordination *within the state* in responding to the devastating freeze left much to be desired. Valuable time was lost as state officials debated if the Texas Employment Commission (TEC) or the local SSA should be the lead agency, grant recipient, and the administrative entity.

The SSA had taken the lead locally, working with elected and appointed public officials and preparing the proposal to the U.S. Department of Labor. Since the local SSA was already the recipient of EDWAA funds and operator of EDWAA programs, the state eventually decided to designate the Hidalgo/Willacy Counties SSA as the lead agency. But valuable time, energy, and resources were lost while that decision was being contemplated. Once these

policy decisions were made, however, both TEC and the local SSA worked closely and effectively together to certify and enroll participants into the program.

Tarrant County

The learning curve for coordinating agencies and resources came with a heavy price in Tarrant County and the layoff of Braniff Airline employees. From a program administrator's viewpoint, the layoff was an administrative nightmare. Five different substate areas were involved. Decisions were slow in designating a lead agency, allocating costs among the affected SSAs, defining the role of the state's Rapid Response Team, providing guidelines for the certification of eligible clients, and designing a program mix of services that would be provided to the affected employees.

One particular question which troubled members of the lead SSA was whether JTPA funds (EDWAA funds) could legitimately be used to pay for retraining airline pilots. These individuals were clearly not "disadvantaged", were well-educated, and were better able to provide for themselves, unlike the traditional JTPA clients who face serious barriers to employment.

If EDWAA were in fact designed to assist people making upwards of $75,000 a year, many members of the local private industry council questioned the use of taxpayer money for that purpose, especially in view of other pressing problems in minority and poor neighborhoods. As this report has noted, EDWAA is not an income-based program. The pilots were EDWAA-eligible, and they were provided services.

Another issue that had to be overcome concerned the designation of a lead agency, an issue which fluctuated back and forth between Dallas County and Tarrant County, until Tarrant County finally became the *de facto* lead agency. In the meantime, Dallas County was responsible for intake and certification, meaning that on-site personnel in Fort Worth daily had to travel an eighty-plus mile round trip to Dallas headquarters with personnel files, records, and program documents.

There was also some question, initially, about the state's Rapid Response Unit that added one more level of administration to the existing administrative levels of the five SSAs. File memoranda describe initial difficulties in identifying the role of the Rapid Response Team members, and their relationship to existing SSA personnel. Finally, the question of who was going to pay for what services came to the surface. This issue also caused much concern with the SSAs involved in providing services to the affected workers.

There was a favorable ending to the story. The lead SSA (Tarrant County) persevered and, in testament to the calibre, dedication and commitment of local employees, put the EDWAA effort back on track, while providing services to the employees laid off by the Braniff bankruptcy.

Alamo

The Alamo experience shared much with the experiences in Hidalgo/Willacy Counties and Tarrant County. Since one rural county in the Alamo SSA was part of the federally designated disaster area, like Hidalgo/Willacy Counties, Alamo was also eligible for federal disaster relief funds. The small number of workers involved, relatively speaking, and the lateness of their inclusion in the relief package, ultimately affected expenditure levels. Attempts to coordinate activities with the other agencies involved, particularly the TEC, were not what Alamo hoped for, and the majority of disaster relief funds were never spent.

Like the other two SSAs, Alamo also experienced coordinating difficulties *unique* to its area. In reviewing Alamo, TAPIC focused on services to workers dislocated by the shutdown of a Levi Strauss & Company sewing facility on the city's south side. In addition to the typical coordinating activities involving other agencies and service providers, Alamo faced an additional challenge, since the workers affected were also eligible for **Trade Adjustment Assistance (TAA)** benefits.

Neither the Alamo staff, nor personnel in TEC, had previous experience in coordinating EDWAA with a

traditional entitlement program such as TAA. The question of dual enrollments was a concern that required immediate resolution. How should Alamo account for participants enrolled in TAA activities, administered by TEC, and *EDWAA* activities, administered by the Alamo SSA?

For example, if an individual went through intake, certification, assessment, counseling, and case management under EDWAA, but received training and placement services under TAA, who would receive credit for the placement? And who was responsible for non-positive terminations? While this may appear as a petty program contention about who receives what credit, the issue takes on much more serious dimensions when programs are monitored and evaluated, performance standards are questioned or cost allocations are disallowed.

After prolonged discussions, like other coordinating challenges, these matters too were resolved through a formal agreement on dual enrollments. Unfortunately, they were resolved only after many meetings, much negotiating, and a number of misunderstandings, all of which slowed the delivery of services to individuals who had an immediate need for job training, remedial education, and jobs.

RAPID RESPONSE FACTOR

Under the EDWAA legislation, a state must establish a

> "Dislocated Worker Unit or office that will have the capability to respond quickly to mass dislocation events, provide technical assistance, and support formation of joint labor-management committees. The Unit must also have a monitoring/reporting system to provide adequate information for effective program management and provide technical assistance to substate areas. There must be coordination at the state level with unemployment insurance and Trade Adjustment Assistance programs."

Much of the difficulty that the state's Rapid Response Unit experienced in PY1989 was the result of a new program (EDWAA), combined with the growing pains of a new Department (Commerce) and the relative inexperience of its staff, in this instance, the Rapid Response Unit. Since this review is a survey of overall EDWAA operations, and not an evaluation of the state's Rapid Response Unit, this report will highlight only some of the more salient issues that were brought to our attention.

One state activity which troubled many local administrators was the state "showing up unannounced" at a local site. Another dealt with the well-meaning, but misguided promises about what the state could do and would do. In one instance, over the course of several program orientations, one enthusiastic member of the state told a gathering of dislocated workers that they were *entitled* to education, training, and job placement services, and that they had *earned* their unemployment benefits, having paid for them "with the sweat of their brow."

It was left to local officials to clarify issues, explaining the difference between *entitlement* programs and programs such as the JTPA, and to explain that *employers*, actually, not the workers, *per se*, had paid the unemployment insurance.

On another occasion, impatient with local efforts to reduce bottlenecks in the assessment process, a state official set up a parallel assessment team to move participants through the assessment phase and into a training activity. After the parallel system was in place, the local SSA informed the state official that for purposes of case management and vocational training, the assessments conducted by the state would not be acceptable in referring participants to EDWAA-authorized activities. The rationale was clear--if the SSA is to be held accountable for the expenditure of federal dollars in vocational training, the SSA was only doing the prudent thing in protecting the integrity of its local system.

Yet one more difficulty that arose was the matter of participant records security. Despite active efforts to file participant records in one physically secure location, participant files for one plant closing could be found at three different locations--a local EDWAA contractor; a

state office on the perimeters of downtown; and a second state office housed with the local SSA. Not one of the three offices could identify the correct number of participant files nor the various states of completion or eligibility documentation. At this stage of the service delivery process, per local agreement, the state had assumed responsibility for the intake and certification process.

A practice by the state of bringing in outside personnel to assist with basic readjustment services finally came to a head in the Alamo SSA. Local officials felt that these outside personnel were not familiar with local culture, politics, problems, resources, systems and demographics. Local officials questioned whether, in fact, there were no local resources available which the state could tap to help in the readjustment process. In this instance, since a large portion of the dislocated worker clientele were Spanish monolingual, the state came under criticism for not having initially provided a full range of bilingual personnel.

RECOMMENDATIONS

While sound business practices and principles from the private sector apply to social service agencies, there is a fundamental difference separating the two. That difference is the customer, and the customer's needs. There is an added element of caring and compassion, understanding and responsiveness, that must be present in social service agencies. After all, their customers have no choice; most times, they face no alternative. They need help, and commitment at the social service agency level takes on an added dimension compared to its private sector counterpart.

For that reason, having the best available talent and commitment, locally and statewide, is the key ingredient to make EDWAA the responsive program its crafters designed it to be. Having made this point, the report will now present a number of programmatic and policy issues that lend themselves to corrective action. We will present these recommendations first for substate areas and then for the state.

SUBSTATE STRATEGIES

Extraordinary Circumstances Demand an Extraordinary Response

The initial task facing a local program is preparation of a local service plan before an administrator knows exactly how much money will be available for the program year or how many plants will close their doors, relocate, or engage in major layoffs. Such a reality is a fact of life, yet administrators must prepare a plan and contract for services in advance of the unknown.

Having prepared a plan, selected a program mix, identified the number of participants to be served, and contracted with agencies and organizations, administrators may be reluctant in the course of the program year to respond to the extraordinary circumstances resulting from a major plant shutdown or layoff.

There is a built-in protective shelter for program administrators called a service plan that is incorporated in contract documents. As long as local administrators, contractors, and service providers fulfill contractual requirements *as specified* in the service plan, there is no compelling interest in taking on additional responsibilities beyond those already encumbered.

Inevitably, then, human factors (more so than program factors -- legislation, regulations, systems, policies and procedures, etc.) come into play. Local SSAs, with energetic staff persons who are innovative and responsive, will seek additional resources beyond those already available and contracted. Those SSAs who have enough on their plate, who are undergoing change, or who have become content with the status quo, may choose to continue with "business as usual."

Simply looking at program reports does not reveal these differences in attitude. An administrators' success is not judged by sticking their neck out. Indeed, if anything, the system rewards caution. This should be a primary concern to PIC members and local elected officials.

Local elected officials and members of private industry councils can motivate and energize local administrators if the much-needed "extraordinary response" has not been forthcoming. The local tax base, local economy, local businesses, and local human support systems, in short, the welfare of their local community, is dependent on workers being on the job. Unemployment wreaks a high toll on local communities, and local authorities should not accept "business as usual" in responding to plant shutdowns and other mass layoffs.

Administrators Must Plan for Flexible Program Response

Administrators also face the difficult task of identifying the needs of dislocated workers from a wide range of affected industries and professions. Unlike the traditional Title IIA participant, dislocated workers are a widely diverse group, not just from one SSA to another, but within an SSA itself. As we have pointed out, differences between

the needs of farmworkers in the lower Rio Grande Valley and those of airline pilots in the Metroplex can be dramatic indeed.

Within an individual SSA, layoffs in a sewing machine operation can create demands for services quite distinct from layoffs which may occur in the banking or savings and loan industries. To mitigate these market realities, a keen understanding of the local economy and local labor markets is essential.

Yet, even that knowledge and understanding is not a guarantee for accurate projections about future plant layoffs. As this report has noted, to receive funds, a service plan must be prepared *before* participants actually go through the assessment phase. Even if a plant shutdown is anticipated, until an assessment of each individual worker is conducted, the appropriate mix (training, support services, job search assistance) can only be estimated. Under the best of systems, a local service plan has been developed up to a year *before* an assessment of dislocated workers has identified their particular needs, aptitudes, wishes, skills, and goals. For those reasons, local service plans *must* allow for *flexibility* and shifting of resources from one planned service area to another.

Readjustment Services Should Be Supplementary To Retraining Opportunities

With the introduction of a new client group, local SSA program responses focused on the psychological costs of layoffs. SSAs emphasized services providing EDWAA clients with job search, job counseling, and other basic readjustment services, at the expense of focusing attention on enrollment, assessment, skills training and job placement.

Often, program participants are herded from one group meeting to the next, over an extended period of time, with no real opportunity for training or job placement. At the same time, of course, a number of participants for whom job search is the appropriate program response, speak highly of the moral support and encouragement they had received from program staff.

It is important, however, that the focus on EDWAA participants remain on the training and placement end of the service spectrum. The personal and work histories of EDWAA clients have demonstrated that they can handle their own roles as productive members of society *provided they have gainful employment.* So the focus should remain more on training and placement, and less on readjustment services.

Orientation Phase Should Keep Expectations Realistic

Expectations play a large role in the relative satisfaction of clients with the services they have been provided. In this regard, the *orientation* phase is critical. Expectations often have been raised needlessly high by well-meaning program staff, and efforts should be made to lower these expectations.

An intake, certification, and assessment process used by Corpus Christi/Nueces County SSA may be instructive. Rather than orienting clients about EDWAA benefits, policies and procedures, SSA staff take comprehensive applications at the outset. Intake personnel insure that all documentation is complete, and they analyze the application to determine what programs the applicant is eligible for. Only then is the applicant scheduled to meet with a case manager who *orients* the applicant about the program, its policies, and mutual responsibilities. Once an understanding about mutual responsibilities is agreed to, the applicant and case manager agree on an individual service plan, and the applicant is enrolled in the appropriate program.

The advantage to this system is that the applicant must provide basic documentation up front before he or she is even told about possible services. Secondly, the application is complete before the person meets with a case manager. Both parties, applicant and service provider, know exactly what they can expect of the other.

To the extent that SSAs provide orientation sessions first, explaining program options and benefits *before* a client is program certified, unrealistic expectations may be

raised, and clients may insist on immediate services before they have completed their applications and provided the required documentation.

Program Prerequisites Cannot Be Substitutes For Program Services

Local SSAs must never lose sight of what a client considers to be a program benefit or a program service. In discussions with SSA staff, there is a sense that orientation, intake, documentation, certification, assessment, and case management represent actual *services* being provided to clients!

In reality, these activities are simply hurdles that local programs are obliging clients to jump over or through. There is no denying that such activities are *work*--that they require energy and resources--but perspective is all important. If program staff view these activities as hurdles and bureaucratic necessities, efforts may be made to streamline and simplify. If these activities are viewed as part of the *services* that participants receive, then there is no inclination to simplify or modify. Valuable human energy and program resources are wasted on bureaucracy when they could be going to real client services such as training and job placement.

Requirements For Program Certification Must Be Simplified

Finally, in the area of program documentation, the review team believes that SSAs have been much too passive in succumbing to federal and state regulation and paperwork requirements. It is our belief that too much effort is placed on program documentation to insure that a program is in compliance with paperwork requirements. We believe that questioning the need for the documentation and the regulation in the first place is a legitimate function of those officials responsible for program administration. Federal and state officials need to hear from local SSA program operators about the onerous paperwork burdens that they face. In light of the crushing

weight of these administrative burdens, local observations must be made *insistently* and *uncompromisingly* in order to finally obtain a measure of relief.

To provide a brief example, the following are verbatim instructions from a handout on documentation requirements that potential EDWAA applicants are provided by one EDWAA service contractor. Instructions note that "each person must be able to provide the following information in order to qualify for services:"

- Proof of Citizenship or Legal Residence
  Examples:
  Birth Certificate
  Voter's Registration Card
  Armed Forces Card DD214 (separation)
  Church records showing place of birth
  United States Passport
  Documents from Immigration Service
  Hospital records showing place of birth

- Social Security Card
  If you do not have a social security card, you must provide a receipt from the social security office showing that you have applied for a card.

- Proof of Residence
  Examples:
  Utility bill
  Phone bill
  Other official records showing where you live

- Letter of layoff or termination

- A picture identification card
  If you do not have a driver's license, you may have a picture ID from your employer, or you may obtain a picture ID from the same place people get their driver's license (Texas Department of Public Safety.)

- Income for all persons living in the same house as you.

- Name, address, and phone number of two persons who do not live in your household who can reach you in case we need to get in touch with you.

- Address and phone number where we can reach you.

- If you are receiving unemployment compensation, we need a statement from the Texas Employment Commission (TEC) showing the amount you are receiving or have received. We also need information from TEC showing you have registered with their office.

In addition to the key items mentioned above, job counselors and case managers will want to know information involving personal and family matters, income and other financial data, educational achievement, language capabilities, special skills and abilities, personal hobbies, and any other information which will help identify the right education, supportive service, training, or employment for the client. This information must be collected, assembled, filed, and secured so that *auditors* can give the local SSA a clean bill of health. Local SSAs know the paperwork burdens much better than anyone else, and they should take the lead in reducing those onerous requirements currently in place.

Automated Applicant Tracking Systems Must Be Implemented

Local administrators should take the lead in reducing applicant documentation requirements if for no other reason than the certainty that in doing so, they could manage their programs more efficiently. In the Alamo SSA, applicants are not tracked through the system. They do not become enrolled until after they have *completed* their application, provided their *documentation*, received

their *certification*, and formally entered into the SSA management information system.

In the meantime, applicants may be attending job search classes, remedial education classes, talking with personal counselors, looking for jobs, or looking to relocate from the area. *But the local program manager does not know this* because there is no central applicant tracking system that would provide the data needed to identify each individual. There is no central system that would identify where each applicant is in respect to the system, what documentation is still needed for the file, and what services that individual may be receiving, or has received.

As long as the individual is just an applicant, he or she is not considered to be enrolled. Only enrolled persons are tracked and accounted for in the system. Clearly, each individual applicant needs to have management's attention. Responsible program managers must know what has happened to each applicant along the way, and what has been the program response to that applicant at every step from intake to termination.

Cumbersome Assessment Process Must Be Reformed

Our final recommendation involving local operations concerns the assessment process. In one local SSA, facing a layoff of over a thousand workers, local administrators insisted on a two-step assessment process. The first involved a basic assessment of educational achievement and personal aptitudes. The second more lengthy assessment involved a vocational assessment. From the initial assessment, workers were referred to remedial education, job placement services, or vocational education (job training). The preliminary assessment was administered within thirty days of initiating contact with the displaced workers. However, the results of the assessment were an additional two to three weeks in being finalized. By this time, workers were questioning the EDWAA system and complaining bitterly about the lack of services.

Timing of program components is essential. The local contractor responsible for the second vocational assessment could realistically handle 20 vocational assessments per week. At the rate of 20 assessments per week, workers would have to wait up to a year to be assessed before they could even begin their training. The frustrations and aggravations faced by the workers, of course, were real and easy to understand. But facing over a thousand displaced workers clamoring for training and jobs, the local SSA was slow, hesitant, even reluctant to respond to the obvious bottleneck.

This again points to the need to focus on education, training, and jobs. Part of this bottleneck may have been due to the inability to shift resources quickly from one area to another. Obviously the standing policy to require such assessment needed to be reviewed in light of available resources and competing demands. Activities such as orientations and assessments are not really services provided workers. They are burdensome administrative barriers and hurdles workers must overcome in order to receive the desired services. That is where local SSAs should be focusing their resources.

This report is not the appropriate forum for an in-depth discussion of assessment policies and procedures. There is merit in professional counselors meeting with program participants to gauge their aptitudes, interests, competencies, and skills. An applicant, however, should not be made to wait two to six months from initial contact by EDWAA officials to undertake a one-day, or half-day, vocational assessment test. It is clear to the review team that present assessment policies at the SSA level need to be reconsidered.

STATE RECOMMENDATIONS

Do Not Supplant Substate Area Responsibility

The review team sees state personnel as guests of local SSAs, advisors and consultants to local SSAs, but not decision makers. Those decisions should rest with the local SSA, local elected officials and their respective policy

appointees and program operators. Rapid response teams come and go; it is next to impossible to make them accountable to the local community. By intervening in place of local operators, state personnel diffuse authority and responsibility, and make accountability at the local level that much more difficult to fix. The review team believes that responsibility and accountability should rest firmly with the local SSA.

Encourage Use of Local Resources

The matter of bringing in outside experts to facilitate delivery of services at the SSA level has already been addressed elsewhere in this report. Based on those findings, it is our recommendation that the state resist the temptation to engage outsiders unfamiliar with local SSA operations to provide services at the local level. Numerous times, state personnel arrived at an SSA with a small coterie of staff, equipment, materials, and "all the answers." Rather than arriving for consultation and dialogue, the state was seen as arriving to provide direction and take charge of what should be local SSA responsibility. Needless to say, there was widespread resentment among SSA staff for state-directed activities.

At times, state personnel spoke in less than commendable words about local SSA capabilities and program responses. An equal number of times, state brought in outside help to "demonstrate" how a particular activity should be conducted properly. Our purpose is not to impugn the motives of those persons involved. Personnel concerned, at the local and state level, we believe, had the best interests of dislocated workers at heart. While they might have disagreed on tactics, there was never any disagreement in goals or objectives, which was to serve EDWAA clients as effectively and efficiently as possible.

Discourage Local Delivery of Services By State

It is the opinion of the review team that the state should not engage in direct delivery of services. Local SSAs are responsible for direct service delivery and the state should

avoid establishing parallel service delivery structures, whether those structures provide intake and certification, assessment, job search, or any other basic readjustment activity.

Recommended State Role

While the Texas Department of Commerce (TDOC) is the state entity responsible for the administration of JTPA in the state, much of the media attention, direct contact with local SSAs, and direct contact with business and industry has been borne by the Rapid Response Unit. This Unit is part of a larger section responsible for overall EDWAA operations within the Work Force Development Division of the TDOC. As such, the Rapid Response Unit is not responsible for policy or management decisions.

The Rapid Response Unit could have been more effective in the first year of EDWAA operations, but our sense is that it was operating under policies and procedures determined by the TDOC. In that regard, references made to the Rapid Response Unit do not mean to place accountability on it for EDWAA operations in the state. That accountability rests clearly with the TDOC and its principal executives. For that reason, when this report makes mention of "the state," we mean the Texas Department of Commerce.

We believe the state should focus on providing the following services:

- Training and Technical Assistance
- Program Design and Development
- Monitoring and Evaluation
- Research and Innovation
- Long-term Planning
- Financial Management

The review team found instances of state personnel too caught up with matters of leases for space and equipment and in interviewing, hiring, supervising, and firing personnel. There was too much preoccupation with invoices and vouchers and with the mundane chores involved in

running a traditional office operation. We do not believe that such activity should be the focus of a rapid response strategy by the state. Local situations are unique, and the demands of a state as diverse and complex as Texas makes it almost impossible for a small cadre of personnel based in Austin, no matter how talented, to deliver quality services at the local SSA level. Therefore, the state should focus on the six activities identified above.

Training and Technical Assistance

There is a distinct need for training and technical assistance, and the state is in the best posture to provide both training seminars and on-site technical assistance. A technique, a procedure, a policy modification in one SSA can be of invaluable assistance to another SSA if codified and made available as part of a technical assistance strategy. Changes in regulations, new interpretations, official responses to questions from the field, experiences in other states are all important issues that could form the backbone of a sound training and technical assistance component.

Program Design and Development

Program design and development is second vital function that needs to be performed. Local SSAs could use state assistance in the development of automated client tracking systems. Assessment tools and materials could be developed for use throughout the state. Eligibility standards and documentation requirements could be made uniform and put in program models. Local SSAs do not have the resources nor the expertise, usually, to engage in serious program design. This is a badly needed function that could easily be performed by the state.

Monitoring and Evaluation

A third opportunity for state involvement is in the monitoring and evaluation of EDWAA operations. There is

a great deal that could be learned from field operations. How are resources being utilized? Where is money being spent most effectively? Which SSAs are experiencing difficulty with performance standards, and which SSAs are not spending money at the rate they should? Which SSAs have exemplary programs and how can other SSAs benefit from that experience?

Innovation and Development

Closely related to the these activities is a fourth opportunity for substantial state involvement. There is a crying need for innovation, for experimentation, new thinking, new approaches, new ideas, new ways of doing business. Many SSAs are simply doing business as they have in the past, and the state is a willing accomplice. Demonstration projects, pilot projects, services to special target populations all provide tremendous opportunities for advancing the state of the art and placing Texas in the forefront of the employment and training community in the nation. With the millions of dollars that come into the state, Texas should be a leader not only in performance, but in leading the way to better means of achieving more with our federal dollars.

Long-term Planning

Lest we forget, there is the question of the fire next time. If the past is prologue, then certainly we must anticipate not only the next plant shutdown or mass layoff, but also the next disabling freeze, devastating tornado, or destructive hurricane. Is the state prepared? Will we be faced with doing a program response for the very first time yet one more time? Will the state be prepared with a rapid response team, a program strategy, technical assistance, and the requisite funds? Do we have such a plan prepared? If not, why not? We must plan, and we must be prepared.

Financial Management

Finally, the review team wishes to address the question of money left on the table. Counting one time federal disaster relief funds, special initiative funds, and regular EDWAA funds, the state underspent by $7,337,186. The state is to be commended for not having to send money back to Washington. Local SSAs, in particular, are to be commended for having spent as well, and apparently as wisely, as they did.

But given the state of the Texas economy, leaving over seven million dollars in federal coffers means that seven million fewer dollars are making the rounds in the Texas economy, creating demand for goods and services and providing jobs for hundreds, maybe thousands of Texans.

At the program operating level, the state has been informed that the EDWAA allotment for program year 1990 has been increased from $28 million to $39 million. Simple arithmetic means that Texas will have $46 million dollars in EDWAA funds to spend in the current program year. If the state spent a combined total of $26 million last year, funding levels for next year mean that the state will have to spend almost twice as much money.

Regrettably, the review team has not seen any guidelines, notices, or action plans by the state to the SSAs on how best to cope with the increased funding levels. Returning money to the federal government, to be reprogrammed among the other 49 states, is not an acceptable alternative. Underspending during a time of critical need in the state, to carry over funds into the next program year should be equally distasteful. Every effort should be made by the state to manage EDWAA funds more effectively, monitor expenditure rates more effectively, and insure that the full measure of available EDWAA funds are spent in the year they are allotted.

CONCLUSION

The best that can be said for the first year of EDWAA operations is that it is over. Experience is an unforgiving teacher, and a number of lessons have been learned. Among those lessons is that many of the difficulties and problems experienced in the first half of program year 1989 could have been avoided with more careful planning and more responsible executive direction.

In response to the observation from the former EDWAA-eligible client and current state official in the beginning of this publication, it is true that the first year was a learning experience, and that it is still too early to determine if the lessons were well-learned. The review team, however, believes that careful consideration of the recommendations made by SSA administrators and EDWAA professionals, and incorporated in this report, would contribute to a more responsive and more effective program year in 1990 and beyond.

APPENDIX I:
MANAGEMENT REVIEW METHODOLOGY

Review pertinent legislation, regulations, federal and state guidelines, substate area program data, and other materials concerning EDWAA.

Interview officials involved in EDWAA management and administration, specifically, Work Force Development Division of the Texas Department of Commerce, substate service areas and grantees, U.S. Department of Labor, State Job Training Coordinating Council, members of local private industry councils, and other key participants in the field.

Analyze relevant program, performance, financial, and coordination data, as follows:

- Management and administration models utilized by different substate areas.
- Program management and administration, including staffing levels, and EDWAA within the organizational hierarchy.
- Financial data, including funding levels, and expenditure rates, by substate area.
- Program participants, characteristics and total number.
- Program outcomes, completion and placement rates, cost per participant and cost per placement.
- Program components, activities, training services, worker readjustment services, and supportive services.
- Coordination with other JTPA activities, and other JTPA related institutions.
- Role of the state, specifically the Texas Department of Commerce and its Work Force Development Division.

APPENDIX II:
CORRESPONDENCE

TEXAS ASSOCIATION OF PRIVATE INDUSTRY COUNCILS

September 3, 1990

Mr. John Bartlett, Director
Workforce Development Division
Texas Department of Commerce
PO Box 12728, Capitol Station
Austin, TX 78711

Dear Mr. Bartlett:

As you know, we are in the midst of a management review of Title III in Texas after one full year of operations. Our review team has visited a number of local SSA's, and I would like to schedule a visit with you and members of your Title III staff as soon as possible. Individual meetings with the Title III Director and the Manager of your Rapid Response Unit would be most helpful. The attached summary sheet indicates the areas that we will be reviewing in our study.

A meeting the week of September 11 would be most advantageous to us. I will call to confirm an appropriate time.

Sincerely,

John D. Baker
Executive Director

JDB:mcj

815 Brazos, Suite 802 • Austin, Texas 78701 • (512) 477-7787 • (800) 252-3647 (*in Texas*)

1. REVIEW POLICIES AND PROCEDURES IN MANAGEMENT OF EDWAA

   Review service delivery structures

   Impact of formula allocation

   Timeliness of allocations

   60% vs 40% money

   Special initiative money and other sources

2. DETERMINE LEVEL AND QUALITY OF SERVICES PROVIDED

   Level of education services

   Extent of training and retraining

   Role of job search and job clubs

   Timeliness of program response to workers

3. DETERMINE THE EFFECT ON SERVICES OF THE FOLLOWING:

   Eligibility requirements

   Eligibility documentation

   Assessment system: preliminary and vocational

   One-stop service center versus multiple contractors

   Applicant tracking system

   TRA eligibility and JTPA coordination

4. EXAMINE THE PERFORMANCE OF TDOC TITLE III AND RAPID RESPONSE

   Availability of written policies and procedures

   Contracting practices

   Setting up parallel systems

   Effectiveness of local coordination

   Timeliness of response

   Provision of training and technical assistance

TEXAS DEPARTMENT OF COMMERCE

SEP 24 1990

September 18, 1990

Mr. John D. Baker
Executive Director
Texas Association of Private Industry Councils
815 Brazos, Suite 802
Austin, Texas 78701

Dear Mr. Baker:

I have received your letter of September 3 and fully discussed it with appropriate members of my staff. As I have discussed with you by phone, it is our intention to provide you with answers to your questions regarding the Job Training Partnership Act Title III program.

However, there are other priorities that the Work Force Development Division is charged with, including resolution of procurement and on-the-job training reviews recently ordered and conducted by the U. S. Department of Labor. Additionally, several massive layoffs are underway around the State, and that is the major work priority of the Title III staff. We also anticipate that news is about to break relative to the Fort Hood situation, and that will demand a great deal of time and attention.

I am requesting that your staff submit your list of questions to me, so that staff can begin to compile responses as time permits. This will also prevent any misunderstandings down the road, as to what was said to whom and when. I have also directed staff to stay with the priorities assigned to them, so I would appreciate it if you or your staff would contact me, should you feel a need for clarification regarding any answers provided to you by the Texas Department of Commerce.

As I have previously informed you, the State Auditor staff will be conducting a performance audit on the Title III program, and priority in cooperating with them is extremely important, given the deadline imposed on them by the Legislative Oversight Committee.

Please forward your responses to me in the near future. Thank you for your cooperation.

Sincerely,

John Bartlett

John Bartlett
Director
Work Force Development Division

First City Centre
816 Congress, Suite 1200
Austin, Texas 78701

Telephone 512 472 5059
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Executive Director

September 26, 1990

John Bartlett, Director
Workforce Development Division
Texas Department of Commerce
PO Box 12728, Capitol Station
Austin, TX 78711

Dear Mr. Bartlett:

Thank you for your response to my request for a meeting with you, the Title III Coordinator, and the Rapid Response Manager. It is unfortunate that neither is available for personal interviews. A key component of our study methodology was to "schedule and conduct meetings with significant participants in Title III..." We had not encountered any difficulty in scheduling any meeting until now.

We have visited with directors and staff members in five different SSAs and have found our meetings extremely useful and informative. However, if you are unable to meet personally, we have drafted the following questions for your response (I would prefer individual responses, but a "department" response is acceptable):

1. What did you learn after a full year of EDWAA operations? What would you have done different? What is different in the nature of policies and procedures for Program Year 1990 from policies and procedures that were operational last program year?

2. SSA personnel informed us that they had not received guidelines on the use of underspent EDWAA funds (carryover funds). Has the Department issued guidelines for the use of underspent formula allocation (60 percent)? 40 percent? special initiative funds?

3. Given the extensive use of 40 percent money to supplement initial formula allocations, are you still satisfied with the current allocation formula?

4. Given that not one of the SSA administrators we visited could include all the elements and weights used in the allocation formula, would you consider a formula that would be more easily understood?

5. One observation made regarding your Rapid Response activity was the creation of parallel service delivery systems...at the SSA level. Is this observation fair and accurate?

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6. The current Title III director is the third person to hold the post in the last three years. Would you consider personnel turnover in the Title III program a particular problem, or is this kind of turnover normal for the kind of operation involved? Do you believe that the present staffing level of the Rapid Response unit is sufficient to meet the need for training, technical assistance, and policy guidance at the SSA level?

7. Some local SSAs request the extensive documentation from Title III Clients. When informed that the legislation does not require such elaborate personal documentation, a response has been that the state requires the documentation. What is the minimum documentation that the state requires? Has the state sought a uniform local eligibility documentation policy, or has the state allowed local SSAs to set their own eligibility documentation policies?

There may be other follow up questions may result from your response(s) which we would appreciate by October 8. In the meantime, an integral part of our methodology is "to secure and review pertinent Title III and EDWAA legislation, regulations, federal and state guidelines, Substate Area program data, and statewide materials concerning Title III and EDWAA." Accordingly, we would appreciate access to department materials which would provide the information we need.

A second key component of our study called for all "program, performance, financial, and coordination data that is needed in conducting the management review". At the minimum, the following type of program data will be analyzed:

- financial data, including funding levels, and expenditure rates, by sub-state area
- program participants, total number and characteristics by program component
- program outcomes, completion and placement rates, cost per participant and cost per placement
- program activities, components, training services, worker readjustment services
- supportive services, total costs, and types of supportive services provided.

Therefore, we would appreciate meeting with your financial management and MIS personnel to seek information which will assist us in our review.

Would you please provide me with names of personnel I should contact, and would you please facilitate meetings for me with these individuals.

Thank you for your cooperation.

Sincerely,

John D. Baker
Executive Director

TEXAS
DEPARTMENT OF
COMMERCE

OCT 2 6 1990

October 25, 1990

Mr. John D. Baker
Executive Director
Texas Association of Private Industry Councils
815 Brazos, Suite 802
Austin, Texas 78701

Dear Mr. Baker:

I apologize for the delay in responding to your September 26, 1990 letter regarding your questions about implementation and operation of EDWAA in Program Year 1989, and I am certain you can understand the demands on my staff's time not only for performing their mandated job responsibilities, but also for responding to the Legislative Oversight Committee, the State Auditors and both the national and regional DOL offices.

I look forward to receiving a copy of your report in order to evaluate any recommendations that are presented for improvements to how the State of Texas operates the JTPA Title III program as amended by EDWAA.

Sincerely,

John Bartlett
Director
Work Force Development Division

JB:SB

Enclosure

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67

Response to TAPIC Questions on Title III

1. Administration of the subject program during PY89, the implementation year for the EDWAA which replaced the old Title III of the JTPA, was indeed a learning experience for all those involved. A great deal of experience was gained by the State staff; however, little could have been done differently without the situations in which the learning took place. Two areas have had the applicable policies and procedures for PY90 refined through a cooperative SSA/State workgroup process: Rapid Response and Reallocation of funds (Deob/Reob).

2. The policy regarding the return of all unspent PY89 formula allocated and 40% to the State is unchanged from the previous year. Contracts for the Special Initiative funds are through June 30, 1991.

3. The State is satisfied that our method of awarding State Reserve 40% funds appropriately targets funds to the areas suffering the most dislocation.

4. The formula is approved by the SJTCC and the Governor and published in the State Plan which is provided to every SSA.

5. Rapid Response provides immediate pre-lay-off and basic readjustment assistance to dislocated workers affected by major lay-offs where they can not be absorbed efficiently into the existing local program. Coordination of these efforts among the SSA, State, company and labor union or employee representatives is imperative to the design of each project. The delivery of readjustment services is truly a parallel system not a duplicate system in which the participant has to repeat basic readjustment activities when moved into the SSA's regular program for placement or retraining.

6. Turnover of personnel is a reality for every organization. Staffing level of the Rapid Response Team in conjunction with the rest of the Worker Readjustment and Industrial Training Section, seems adequate for the performance of their responsibilities. Technical Assistance is provided by a Program Representative, one of which is assigned to each SSA. Coordinated policy development is provided by the WRIT, Program Operations and Planning and Evaluation sections.

7. Please find attached the Title III/EDWAA Eligibility Policy and Procedures 1990 which provides for a uniform eligibility documentation policy. It is a local decision to adopt and enforce a stricter documentation policy.

   For your use, enclosed is a Worker Adjustment Program Report for PY89. Receipt of a year-end financial report should be requested from Mr. James Steger, Director of Administrative Services.

APPENDIX III:
REFERENCE MATERIALS

The Economic Dislocation and Worker Adjustment Assistance Act.

The Economic Dislocation and Worker Adjustment Assistance Act Planning Book.

The Job Training Partnership Act.

The Job Training Partnership Act Federal Regulations. Part 631 - Programs Under Title III.

Hidalgo/Willacy Counties Substate Area Title III/EDWAA Plan.

Tarrant County Substate Area Title III/EDWAA Plan.

Alamo Substate Area Title III/EDWAA Plan.

JTPA Policy Issuance #89-17. Work Force Development Division. Texas Department of Commerce. October 3, 1989.

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JTPA Issues. EDWAA Implementation. National Association of Counties. September 23, 1988. Volume 22-88.

Economic Dislocation and Worker Adjustment Assistance Act Executive Summary (Briefing Item). Texas Department of Commerce. December 1988.

JTPA PY89 Fourth Quarter Performance Report, August 1990. Work Force Development Division. Texas Department of Commerce.

JTPA Supplement PY89 Fourth Quarter Fiscal Report. Texas Department of Commerce.

JTPA Supplement PY89 Third Quarter Fiscal Report. Texas Department of Commerce.

City of Dallas Private Industry Council Service Delivery Area PY89 SDA Program Reorganization Plan Final Report. August 15, 1990.

Balance of Dallas County Service Delivery Area. PY89 SDA Program Reorganization Plan Final Report. August 15, 1990.

Hidalgo/Willacy Service Delivery Area. PY89 SDA Program Reorganization Plan Final Report. August 15, 1990.

Draft of the PY1990-PY1991 Governor's Coordination and Special Services Plan. April 10, 1990.

State Job Training Coordinating Council. Quarterly Meeting Minutes and Briefing Materials.

December 9, 1988
August 24, 1989
November 30, 1989
May 31, 1990
August 15, 1990
October 25, 1990

State Job Training Coordinating Council. Executive Committee Meeting Materials.

June 26, 1989
April 19, 1990

State Job Training Coordinating Council Executive Committee Report. April 19, 1990.

Correspondence. Texas Association of Private Industry Councils and Texas Department of Commerce.

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